

The University of Montana Western
Foundation

August 24, 2017

Commissioner Clayton Christian
Office of the Commissioner of Higher Education
Montana University System
P.O. Box 203201
Helena, MT 59620-3201

Dear Commissioner Christian,

Enclosed is our annual report as required under BOR Policy 901.9 (Campus Affiliated Foundation). The report addresses the financial benefits to the University of Montana Western and related expenses of the University of Montana Western Foundation. The report also addresses the investment management results achieved by the foundation related to our endowment portfolio and performance metrics associated with the responsibilities cited in the operating agreement.

It is my pleasure to provide you with the data requested. Please let me know if you have any questions about the content of this report.

Sincerely,



Roxanne G. Engellant
Executive Director

C: Dr. Beth Weatherby, Chancellor, The University of Montana Western
Susan Briggs, Vice Chancellor, The University of Montana Western
Deb Creger, Chair, The University of Montana Western Foundation

The University of Montana Western Foundation

TABLE I - FOUNDATION SUPPORT OF UNIVERSITY

	FY 2017	FY 2016	FY 2015
<i>Foundation Funds to University [1]</i>			
Scholarships	\$ 278,003	\$ 260,698	\$ 229,342
Programmatic	\$ 421,796	\$ 241,679	\$ 234,098
Capital	\$ 345,548	\$ 179,287	\$ 15,000
Total Foundation Funds Directed to the University	\$ 1,045,346	\$ 681,664	\$ 478,440
<i>University Funds to Foundation</i>			
Development Services [2]	\$ 11,000	\$ 11,000	\$ 10,000
Investment Administrative Fee [3]	\$ 33,758	\$ 3,000	\$ 3,000
Salaries & Benefits, Cost Share [4]	\$ 56,799	\$ 53,369	\$ 53,698
Total University Funds Directed to Foundation	\$ 101,557	\$ 67,369	\$ 66,698
Net Foundation Funds to University	\$ 943,789	\$ 614,295	\$ 411,742

[1] Foundation held funds transferred to or on the behalf of the university. Amounts include spending from donor-restricted as well as unrestricted gifts and bequests. FY15 programmatic support reflects a correction to the amount included in the FY15 report. Final Phase of Main Hall & Legacy Plaza included in Capital Funds.

[2] University payments to foundation for contracted services per operating agreement.

[3] Administrative Fee assessed on university owned endowment funds (Emerick), managed by the foundation . FY17 implemented a 1% management fee.

[4] University salary and benefits support to administrative staff and executive director per operating agreement.

Note: The University also provides adequate space and facilities for the foundation per operating agreement.

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TABLE II - INVESTMENT MANAGEMENT

	FY 2017	FY 2016	FY 2015
Long Term Investment Portfolio Balance			
University of Montana Western Foundation	\$ 6,029,642	\$ 5,109,949	\$ 5,185,368
University of Montana Western D.I. Emerick Trust [1]	\$ 1,636,724	\$ 1,544,554	\$ 1,883,584
University of Montana Western M.B. Emerick Trust [1]	\$ 1,962,934	\$ 1,815,324	\$ 1,613,816
TOTAL	\$ 9,629,300	\$ 8,469,827	\$ 8,682,768
Annualized Return			
	1 Yr.	3 Yr.	Since Inception
University of Montana Western Foundation	8.95%	2.73%	6.05%
Fixed Income	2.39%	2.21%	3.02%
Equities	20.60%	6.14%	11.11%
University of Montana Western D.I. Emerick Trust (2)	10.34%	3.20%	6.32%
Fixed Income	3.67%	2.20%	3.25%
Equities	20.51%	6.48%	11.17%
University of Montana Western M.B. Emerick Trust (2)	10.27%	3.15%	6.34%
Fixed Income	3.70%	2.28%	3.10%
Equities	20.62%	6.50%	11.13%
Index's			
Barclays Aggregate Bond Index	-0.31%	2.48%	3.07%
Standard & Poor's 500 Stock Index	20.62%	9.60%	14.47%
MSCI all Country World Index	21.00%	1.27%	5.90%

[2] Funds owned by the university.

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TABLE III - SELECTED PERFORMANCE METRICS

	FY 2017		FY 2016	
<i>Fundraising</i>				
<u>Gifts & Pledges</u>				
> \$10,000 [1]	7	\$ 584,141	11	\$ 345,054
\$1,000 - \$10,000	109	\$ 223,502	97	\$ 205,014
< \$1,000	835	\$ 123,136	624	\$ 90,126
Total	951	\$ 930,779	732	\$ 640,194
<u>Invested</u>				
% Endowed	60.34%	\$ 561,654	26.70%	\$ 231,031
% Current	39.66%	\$ 369,125	73.30%	\$ 409,163
Total	100.00%	\$ 930,779	100.00%	\$ 640,194
<u>Restriction</u>				
% Restricted	98.80%	\$ 919,642	96.70%	\$ 630,187
% Non-Restricted	1.20%	\$ 11,137	3.30%	\$ 10,007
Total	100.00%	\$ 930,779	100.00%	\$ 640,194
<u>Purpose</u>				
% Scholarships	70.77%	\$ 658,751	46.11%	\$ 353,086
% Programmatic	25.82%	\$ 240,338	48.65%	\$ 240,458
% Capital	3.40%	\$ 31,690	5.24%	\$ 46,650
Total	100.00%	\$ 930,779	100.00%	\$ 640,194